Foundations of Political Economy. By WILLIAM BELL ROBERTSON. London and New York: The Walter Scott Publishing Co. 8vo, pp. xiii+249.

A book brightly, clearly, fluently, interestingly written. The writer is of the classical school, and of the severer discipline—of the pain-cost, rather than of the labor-time or labor-value sect. He hopes

that one of the effects of this treatise will be to recall political economy from Saturn and effectually sever from any future connection with it the epithet of "dismal." If this be achieved, it is only fair to say that it will have been achieved through a strict adherence to the methods of Adam Smith, Ricardo, Malthus, the Mills, Cairnes—to the methods, in short, of what has been called the orthodox or classical political economy.

To point out wherein he differs from the old school our author takes Ricardo

since whom no man has made any essential change in the science, and regarding whom Alfred Marshall . . . . justly observes, "The foundations of the theory as they were left by Ricardo remain intact."

The point of equilibrium, the point at which exchange rates of commodities tend to settle is the point at which are exchanged equal quantities of labor. (P. 41.)

This is not labor-time cost or labor-value cost; it is labor-pain cost. Is it not in fact fundamentally an opportunity-cost doctrine? Our author does not say so:

Labor must always be taken to embrace not merely the exercise of working but the whole sacrifice involved. The fisherman's toil may be so much more arduous, exacting, disagreeable and dangerous than the baker's that in eight hours he expends as much labor as the latter does in ten. In such cases the equivalent value of the produce of the fisherman's eight hours will be the produce of the baker's ten hours. Political economy has no cognizance of time. (P. 49.)

The outward and visible sign of a man's desire for an object is the quantity of labor or the sacrifice he undergoes to acquire that object. In the material, the weight of objects is in proportion to their mass. We do not, therefore, say that mass is the cause of weight. That is due to gravity. So though the value of commodities is proportioned to the labor bestowed upon them, we are not therefore entitled to say that labor is the cause of the value. (Pp. 49, 50.)

But what is this proportion doctrine more than an unconsciously

accepted illustration of opportunity cost? In any event, the basis of value is not found in *entrepreneur* cost:

> Value [is] unaffected by wages: at this stage we can set forth the independence of wages and value. It is a popular notion that an increase of wages leads to an increase of price and *vice versa.* Ricardo showed the fallacy of this long ago. (P. 76.)

Thus for anyone who still believes that somehow, and under some one of its diverse interpretations, the labor-cost theory of value may be made to serve, this ought to be an interesting and reassuring book—but for no one else.

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The Bank and the Treasury. By Frederick A. Cleveland. New York: Longmans, Green & Co.

Under the above somewhat ambiguous title, Professor Frederick A. Cleveland presents an able and timely discussion of current problems in banking and currency. There are few subjects connected with banking from the public point of view that the author fails to consider. Capitalization, deposits, reserves, note-issue, investments, government paper money, publicity in banking, the relation of the banks to the Sub-Treasury, the place of the Sub-Treasury in the currency system, and proposed plans for currency reform are topics suggestive of the scope of the work. However, there is a singleness of purpose in the book that gives unity to the discussion considered as a whole. The avowed intention of the author has been, not to produce a "general treatise on money and banking," but rather "to contribute something to a single subject of national interest—the problem of providing a more 'sound' and 'elastic' system of current credit-funds" (p. v).

Professor Cleveland is both critical and constructive in his treatment of the different topics, pointing out what he considers serious defects in present law and practice, and suggesting important modifications of existing institutions. The book is a strong presentation of the views of the "capital-assets" school of thought upon banking in contrast with the views of the "commercial-assets" school. The proposals for the establishment of a system of note-issue based upon the general assets of the banks, for the right of banks to establish branches, for the abolition of the Sub-Treasury, and for the deposit